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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/696,538	10/25/2000	Timothy Redpath	20563-000100US	3091

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EXAMINER	
DASS, HARISH T	

ART UNIT	PAPER NUMBER
3628	

DATE MAILED: 08/09/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/696,538	REDPATH ET AL.	
	Examiner	Art Unit	
	Harish T. Dass	3628	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *21 March 2005*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *10-18* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *10-18* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

Continued Examination Under 37 CFR 1.114

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 3/21/2005 has been entered.

DETAILED ACTION

Claims 1-9 are canceled.

Claim Rejections - 35 USC § 112

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 10-18 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The metes and bounds of claims are vague and indefinite. More specifically it is not clear how a simulator, which is virtual trading, is used for executing actual trading. In other word, either the system is a simulator, for example a trading game, or a trading terminal such as e-trade website. It is not clear whether the claims are for simulator or actual trading? Further, there are numerous places with informalities and lack of antecedent basis, e.g., claim 10, "monetary consequences".

Claim Rejections - 35 USC § 101

3. 35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 10-18 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See In re Musgrave, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable

subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See Diamond v. Diehr, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See State Street Bank & Trust Co. v. Signature Financial Group, Inc. 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See In re Toma, 197 USPQ (BNA) 852 (CCPA 1978). In Toma, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to Gottschalk v. Benson, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. In re Toma at 857.

In Toma, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The

court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in State Street Bank & Trust Co. v. Signature Financial Group, Inc. never addressed this prong of the test. In State Street Bank & Trust Co., the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See State Street Bank & Trust Co. at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under °101, but rather under §§102, 103 and 112." See State Street Bank & Trust Co. at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, State Street abolished the Freeman-Walter-Abele test used in Toma. However, State Street never addressed the second part of the analysis, i.e., the "technological arts" test established in Toma because the invention in State Street (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the Toma test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a

§101 rejection finding the claimed invention to be non-statutory. See Ex parte Bowman, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present application, Claims 10-18 have no connection to the technological arts. None of the steps indicate any connection to a computer or technology. Therefore, the claims are directed towards non-statutory subject matter. To overcome this rejection the Examiner recommends that Applicant amend the claims to better clarify which of the steps are being performed within the technological arts. It should be pointed out that the stock simulator could be paper and calculator.

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 10-13 and 15-16 are rejected under 35 U.S.C. 103(a) as being unpatentable over Applicant's Admitted Prior Art (APA), page 2 line 10 to page 3 line 13, especially page 2 line 21 & 27 in view of Shyla Sangaran, May 22, 2000 "Getting the fell of trading stocks online", New Straits Times, Kuala Lumpure (hereinafter – Shyla) and Harrington et al (hereinafter Harrington – US 6,161,099).

Re. Claim 10, APA discloses setting up an account representing a predefined portfolio of nonzero value for each of a plurality of participants, each of the accounts having no actual monetary value; simulating trades by the plurality of participants; applying the simulated trades to the portfolios of the trader participants to thereby update the representative value of the predefined portfolio;

APA does not explicitly disclose awarding each participant an item of value in an amount having a monetary value that is a function of their respective portfolio's performance over an investment period; and

executing actual trades having monetary consequences by a system operator to thereby earn money to provide the items of value.

However, Shyla discloses awarding each participant an item of value in an amount having a monetary value that is a function of their respective portfolio's performance over an investment period [see both pages] for letting the local investors to become member and have opportunity to experience buying and selling via Internet and win their portfolio value without risk at the end of week.

Harrington discloses executing actual trades and having monetary consequences by a system operator to thereby earn money to provide the items of value [Abstract – C3 L47-L67; C4 L56 to C5 L42; C9 L40-L55 -- (see assisting the user in preparing a bid, calculation sheet, cost of bid prior to submitting bid, the bidder may prepare a tentative bid, review it and modify it before submitting it and avoid risk)] for allowing the bidder to calculate the proposed risk before executing the trade.

It would have been obvious at the time the invention was made to a person having ordinary skill in the art to combine the disclosure of APA and Shyla to encourage the investors with rewards for using Internet for virtual stock trading game trade simulation and combine the disclosure of APA, Shyla and Harrington to let the traders (bidders) calculate their risk before exercising actual trade.

Re. Claims 11-13, Shyla, further, discloses wherein the item of value is an amount awarded at the end of the investment period. Neither APA or Shyla nor Harrington does explicitly disclose wherein the item of value is an amount awarded at the end of the investment period that is equal to all of the representative net profits the participant simulated during the investment period, wherein the item of value is an amount awarded at the end of the investment period that is equal to all of the representative net profits the participant simulated during the investment period up to a predetermined maximum award and wherein the item of value is an amount awarded at the end of the investment period that is a percentage of less than 100% of the representative net profits the participant simulated during the investment period.

However these are business choices to encourage players (stock/security trading players) to become member and play the game of simulation more often, which benefits the internet web site to profit from membership and placement of advertisement.
It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosures of APA, Shyla and Harrington and include incentives, which encourage players to play more and in return benefits the

simulator operator bottom line, more revenue from membership, pay to play, or advertisement.

Re. Claim 14, neither APA or Shyla nor Harrington does explicitly disclose a step of offsetting risk to a system operator by one or more of sponsorships, advertising and participant fees. However, this is well known to professionals were magazines are given free and Internet service providers to offset the loss of membership (subscriber) fee with advertisement money. For example, Netzero an internet service provider does not charge member subscriber a monthly fee to encourage more people to register with service provider where the members' monthly fees are offset by getting more advertisement money from advertisers. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to combine the disclosure of APA, Shyla and Harrington and encourage more investors to play the simulator to allow the owner of the simulator web site (online) to generate more advertising money which will offset the membership fee.

Re. Claim 16, Shyla further discloses wherein the actual trades having monetary consequences by the system operator are entirely based upon the simulated trades of the participants [see page 2 lines 3-4].

Re. Claims 15, 17-18, the claims 15, 17-18 are substantially same as claim 16 and it would be obvious to on skill in the art to modify the teaching of the Shyla and select any amount for trading that is desired by the investor based on his/her financial goals.

Response to Arguments

5. Applicant's arguments with respect to claims have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. Applicant is required under 37 CFR ' 1.111 (c) to consider the references fully when responding to this action.

PGPUB US 2002/0019792 to Maerz et al, February 14, 2002 "Method and system for offering television pilots as a security" discloses an invention relates generally to a system for simulated securities exchange in which the securities comprise various entertainment industry concepts, such as television show scripts, scripts with talent attached, treatments, and pilots, all in various stages of development. This invention relates more specifically to the establishment of an investment portfolio comprising one or more Pilot Option Participation Securities (POPS).

US 6,375,466 to Juranovic, April 23, 2002 "Method for teaching economics, management and accounting" discloses a teaching methods, and more specifically to a method for teaching economics or business practices involving a "virtual enterprise,, simulation (pictorial and/or live). Persons involved take the roles of various "stakeholders," i.e., corporate managers, clients, shareholders, contractors, etc., during training sessions. The records of transactions taking place during the course of a training session may be kept on specially

formatted sheets, on an electronic version thereof, or by means of a computer program, to provide essentially instantaneous information relating to the progress of the simulated business during a teaching session.

In response to this office action applicant must add a statement no new matter is added and complies with originally filed specification.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Harish T. Dass whose telephone number is 571-272-6793. The examiner can normally be reached on 8:00 AM to 4:50 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S. Sough can be reached on 571-272-6799. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Harish T Dass
Examiner
Art Unit 3628

7/27/05

[illegible] EXAMINER
AU 3628